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E.O. 12958: DECL: 2019/11/09

TAGS: ETRD EWWT MU

SUBJECT: PORT OF SALALAH: BUSINESS AND PRODUCTIVITY UP

CLASSIFIED BY: Richard Schmierer, Ambassador, Department of State, Embassy Muscat; REASON: 1.4(B), (D)

 $\P1$ . (C) In an October 26 meeting primarily focused on the Secure Freight Initiative (SFI), Port of Salalah officials told USG officals that business, productivity and profit are all up significantly over the past few months. Senior Operations Manger Dustin Stoker and Operations Project Manager Chris Hamlin said that in October the key productivity indicator, moves per hour per crane, was over 28, double the 14-16 moves/hour that the port was running at a year ago. The numbers are so positive that the port will be renegotiating contracts with key shipping lines to include higher productivity commitments. The port also just signed a contract with a new shipping line, CMA CGM, the world's third largest shipping container company, to begin operations in Salalah in November. Hamlin said the number of ships in port has been significantly higher the past two to three months, noting that they just went over three million moves for the year. Stoker remarked that the increased efficiency was reflected in profit, as with only three million moves the port hit its budgeted profit for five million moves.

12. (C) Comment: The Port of Salalah installed a new management team about a year ago, including a new Dutch CEO, Martijn Vandelinde, and the two American operations managers quoted above. While Vandelinde has complained in the past about the difficulty of increasing profits while meeting Omanization goals, he has obviously found a way to do so. End Comment. Schmierer